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April 27, 2000

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Via Hand Delivery

Mr. David Waddell Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re.

Petition for Arbitration of BlueStar Networks, Inc. with BellSouth

Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

Docket No. 99-00945

Dear Mr. Waddell:

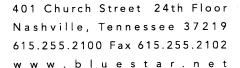
Enclosed please find an original and thirteen (13) copies of the revised Issues Matrix in the above-referenced proceeding. This revised Issues Matrix incorporates the changes to the issues agreed to between the parties at the Pre-Hearing Conference held on April 20, 2000. BlueStar is filing this revised Issues Matrix on behalf of itself and BellSouth.

If you have any questions concerning this revised Issues Matrix, please call either Guy Hicks or me.

Michael B. Bressman

Associate General Counsel

cc: Guy Hicks





ISSUES MATRIX Docket No. 99-00945

ISSUE	BLUESTAR'S POSITION	BELLSOUTH'S POSITION
Issue 5: What rates, terms and	BlueStar should have the option	BellSouth's Loop Make Up
conditions should apply to	to use the LMUSI process on an	Service Inquiry (LMUSI) is an
BellSouth's Loop Make-Up	interim basis until BellSouth	interim process available to
Service Inquiry (LMUSI)	provides electronic access to	BlueStar, which provides a
process?	LFACs and other loop make-up	description of the loop facility for
	databases. The charge for this	a given telephone number or
	service should not exceed the	specific address. This
	TELRIC-based rate if this service	information allows BlueStar to
	were performed electronically. If	make a determination of what
	BlueStar orders a loop after using	type of loop to order and what
	the LMUSI, the charge for the	loop conditioning activities if,
	LMUSI should be applied to the	any, are desired by BlueStar.
	ordered loop's nonrecurring	This process is interim until the
	charge. If BlueStar orders a UCL	electronic access to LFACS is
	under 18kft and the CSRG	available in 3QTR00. The
	determines that the loop is over	\$233.75 rate is based upon the
	18kft, BellSouth should automatically provide BlueStar	cost of providing this service
	1	manually to BlueStar and is
	with a service inquiry as its response.	appropriate for this manual service.
	response.	service.
Issue 11: What rates should be	BlueStar believes that the	Voice grade lear reter are not
included in this interconnection	TELRIC-based rates for	Voice grade loop rates are not appropriate for unbundled copper
agreement for unbundled copper	unbundled copper loops and loop	loops. Rates for unbundled
loops and loop conditioning?	conditioning should be set in this	copper loops and loop
roops and loop conditioning.	arbitration. BlueStar believes the	conditioning should be based
	appropriate rates for an	upon the cost methodology
	unbundled copper loop should	approved by the TRA.
	not exceed the rates for voice	BellSouth will provide cost
	grade loops: recurring - \$14.56	studies on unbundled copper
	and nonrecurring - \$31.99.	loops and loop conditioning
	BellSouth must file a cost study	based upon the cost methodology
	in this proceeding. The loop	approved by the TRA.
	conditioning rates should not	
	exceed: removal of load	
	coils/repeaters/equipment -	
	\$28.02 per pair and removal of	
	bridged tap per pair - \$32.98.	
	The conditioning rates assume	
	that BellSouth would condition	
	an entire binder group of pairs –	
	25 pairs at a time.	

ISSUE

Issue 16: Should the interconnection agreement include a provision allowing BlueStar to cross connect its digital subscriber line access multiplexer (DSLAM) directly to BellSouth's riser cable network interface device (NID) in buildings, and if so, what, if any, rates, terms and conditions should apply?

BLUESTAR'S POSITION

Yes. BlueStar should be allowed to provide its own cross connect from its DSLAM to BellSouth's riser cable NID. BlueStar should pay a recurring charge if BellSouth maintains the riser cable in a building. BellSouth has not justified any network security reason for requiring an access terminal be installed between the DSLAM and the riser cable NID. If a landlord indicates to BlueStar that it owns the riser cable in a building, BlueStar should be permitted to connect to that riser cable without BellSouth's permission. If BellSouth disagrees with the landlord, BellSouth has the burden of proving that it owns the riser cable and cannot disconnect BlueStar until it affirmatively does so. For access to the riser cable, BlueStar would propose an interim nonrecurring rate of \$5, assuming BellSouth performs the cross-connect, and a recurring rate of \$2.

BELLSOUTH'S POSITION

No. BlueStar's DSLAM is not an appropriate point of interconnection and BlueStar should not be permitted to cross connect its digital subscriber line access multiplexer (DLSAM) to BellSouth's riser cable network interface device. A mutually accessible device, such as a connector block is the more appropriate point of interconnection for access to riser cable. This retains network reliability, integrity and security for both BellSouth's network and BlueStar's network in accordance with the FCC's network security requirements. The rates for accessing BellSouth's riser cable should be based upon cost studies done in accordance with the TRA's approved cost methodology.

BellSouth will comply with 47 CFR § 68.3(b) (FCC Rules governing establishment of demarcation point in a particular customer location). It is not incumbent upon BellSouth to prove ownership of the riser cable. However if BlueStar requests information regarding the location of the demarcation point within a particular customer location, BellSouth will cooperate with BlueStar to provide the requested information.